

COMMUNICATIONS ADVISORY COUNSEL LLC

2154 Wisconsin Avenue N.W.
Washington, D.C. 20007

Tel. 202-333-5273
Fax 202-333-5274

Sylvia Lesse
sylvia@Independent-Tel.com

July 27, 2007

Via electronic filing

Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

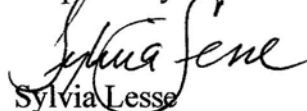
Re: South Canaan Cellular Communications Company, LP
CC Docket No. 94-102
Report Due August 1, 2007

Dear Madam Secretary:

Pursuant to the Commission's *Order*,¹ South Canaan Cellular Communications Company, LP ("South Canaan") hereby submits the attached report regarding its progress in meeting the 95% ALI-compliant handset penetration requirement.

Please contact the undersigned if you have any questions regarding this report.

Respectfully submitted,



Sylvia Lesse
Counsel for South Canaan
Cellular Communications Company, LP

cc: * Dana Shaffer, Public Safety & Homeland Security Bureau, FCC
* Jeff Cohen, Public Safety & Homeland Security Bureau, FCC
Mr. Bernie Swartwood, Pike County Communications
Mr. Marty Hedgelon, Wayne County E911 Coordinator

*via electronic mail

¹ *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, DA 07-1217 (rel. Mar.9, 2007) ("*Order*").

**REPORT OF SOUTH CANAAN
CELLULAR COMMUNICATIONS COMPANY, L.P.**

Due August 1, 2007

Pursuant to the Commission's *Order*¹ granting South Canaan Cellular Communications Company, L.P. ("South Canaan") an extension until September 30, 2007 to achieve the goal of 95% penetration of ALI-capable handsets among its subscribers, South Canaan submits this following progress report:

(1) Number and status of Phase II requests received from PSAPs (including those the carrier may consider invalid):

South Canaan received a valid Phase II request from Pike County and provides Phase II service to this county. South Canaan initiated the provision of Phase II services to its Pike County service area on February 28, 2005. Phase I service was initiated in Wayne County on April 26, 2006 and the Company received a Phase II request from Wayne County in March, 2007 and is waiting for Wayne County to finalize its deployment plan.

South Canaan received a Phase II request from the Monroe County PSAP, which, although not physically within its service territory, receives E911 information from three sites within South Canaan's service territory in Pike County. South Canaan initiated the provision of Phase II services to this PSAP on March 26, 2006.

(2) The dates on which Phase II service has been implemented or will be available to PSAPs served by its network:

South Canaan initiated the provision of Phase II services to Pike County on February 28, 2005 and to Monroe County on March 26, 2006. South Canaan Cellular is transmitting Phase II data to the Wayne County PSAP today, although the Wayne County PSAP, not yet Phase II compliant, does not process this information. South Canaan is prepared to support Wayne County when the county is ready to deploy Phase II.

(3) The status of its coordination efforts with PSAPs for alternative 95% handset penetration dates

South Canaan continues to coordinate regularly with the PSAPs for both Pike and Wayne Counties. Both administrators have been informed that extensions of the 95% handset penetration date have been granted by the Commission. Open channels of communications exist to ensure that any new or developing concerns are addressed.

¹ *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, DA 07-1217 (rel. Mar. 9, 2007) ("*Order*").

(4) Efforts to encourage customers to upgrade to location-capable handsets:

South Canaan continues its program of regularly reminding customers of the benefits associated with upgrading handsets through billing inserts and print advertising, emphasizing that location information will not be available to emergency service providers unless the customers transition to CDMA ALI-capable phones. The company also continues its aggressive upgrade/trade-in program which offers a compliant handset to postpaid customers without any cost to the subscriber, as well as other popular handset models at heavily discounted prices (averaging a 35% discount for 1-year agreements and a 74% discount for 2-year agreements).

The Company also continues to run two significant promotions to attract new business and encourage handset upgrades. First, South Canaan has a “Test Drive” campaign which would allow analog handset users to try ALI-capable digital handsets with no phone or local wireless service cost for 30 days. At the end of the promotion period, the trial phone must be returned or the customer will incur regular cellular service expenses per the trial service application agreement. Secondly, the Company offered a prepaid promotion where a free ALI-capable handset is provided with the purchase of a \$100 value pre-paid airtime card and payment of a \$20 activation fee.

As part of its aggressive and targeted effort to encourage subscribers to upgrade analog handsets to ALI-compliant digital handsets, South Canaan shortly will initiate a program of focused offers to analog subscribers of a free ALI-capable handset requiring limited or no service contract commitment. Having analyzed the characteristics and usage patterns of its remaining analog subscribers, South Canaan believes that such an offer may be attractive to many of the remaining analog subscribers who generally are not currently subject to a service commitment because they are beyond the term of their original contracts. This focused offer, together with the usual rates of new subscribers and attrition, should yield the required penetration rate by the September 30, 2007 deadline.

(5) Percentage of customers with location-capable phones:

Currently, approximately 92% of South Canaan direct customers utilize compliant phones.²

² Approximately 50% of the system's users are TracFone resale customers.

(6) Status in achieving compliance and whether it is on schedule to meet the revised deadline; comparison with other Tier III carrier compliance efforts

In its latest petition, South Canaan requested a nine-month extension, until September 30, 2007, within which to meet the penetration benchmark. Anticipating, on the average, a continuation of the historic approximate one-percent per month increase in subscriber penetration, South Canaan adopted the following revised schedule:

February 1, 2007	87%
May 1, 2007	90%
August 1, 2007	93%
September 30, 2007	95%

Although South Canaan did not meet its interim benchmark of 93% as of this report, it believes that its continued marketing efforts and implementation of the new focused limited or no-contract promotion described above will result in successfully meeting the 95% penetration rate by the end of September.

South Canaan's efforts to achieve the 95% penetration rate compare favorably with the efforts of other Tier III carriers. For example, the out-bound call campaign of a Tier III carrier cited with approval by the Commission is similar to South Canaan's own outreach program, targeted to analog users and offering a free phone in return for a 2-year service commitment.³ As described above, South Canaan will also reduce or eliminate the requirement for a customer to commit to a new contract term in exchange for a free compliant phone, a measure which has proven to be productive for other carriers.⁴

³ *Request for Waiver of Location-Capable Handset Penetration Deadline by Sprint Nextel Corporation*, WT Docket No. 05-286, *Order*, FCC 06-183, ¶ 32 (rel. Jan. 5, 2007) ("*Sprint Nextel Order*"). Puerto Rico Telephone Company dba Verizon Wireless offered: (1) a choice between two free GPS-compliant handsets with the renewal of the customer's contract; (2) a one-year contract term rather than two years; and (3) 100 free minutes per month for three months. The Commission noted that other carriers have offered free upgrades without requiring an additional contract commitment. *Id.*

⁴ *Id.*

DECLARATION OF CAROLYN COPP

I, Carolyn Copp, President of SCCI, LLC, the General Partner of South Canaan Cellular Communications Company, L.P., do hereby declare under penalty of perjury that I have read the foregoing "Report of South Canaan Cellular Communications Company, L.P., Due August 1, 2007" and that the facts stated therein are true and correct, to the best of my knowledge, information and belief.

26 July 07
Date

Carolyn Copp
Carolyn Copp